

C O N F I D E N T I A L SECTION 01 OF 02 HARARE 002052

SIPDIS

STATE FOR AF/S
USDOC FOR ROBERT TELCHIN
TREASURY FOR OREN WYCHE-SHAW
PASS USTR FLORIZELLE LISER
STATE PASS USAID FOR MARJORIE COPSON

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TAGS: PGOV EFIN ECON ETRD EINV ZI

SUBJECT: GIDEON GONO: ZIMBABWE,S WOULD-BE KINGMAKER?

Classified By: Classified by Ambassador Christopher

1W. Dell under Section 1.5 b/d

11. (C) Reserve Bank (RBZ) Governor Gideon Gono, claiming to be speaking on behalf of President Mugabe, told the Ambassador that Mugabe wanted better relations with the U.S. The Ambassador responded that the U.S. welcomed these overtures, but that we needed to see real changes that matched the rhetoric. On the economy, Gono shared a copy of the letter the GOZ had sent to the IMF (faxed to AF/S) and implored the U.S. to support another six-month reprieve when the International Monetary Fund (IMF),s Executive Directors vote on Zimbabwe,s compulsory withdrawal in late-January. The Ambassador responded that the GOZ would again need to demonstrate real commitment to improved economic management and as a first step should make an authoritative public statement along the lines of the letter. Gono also took credit for the demise of Information and Publicity Minister Jonathan Moyo and claimed that due to his influence with Mugabe, Justice Minister Patrick Chinamasa might also soon be fired. End summary.

Mugabe's Messenger

12. (C) In a 90-minute session with the Ambassador, Gono claimed to have been sent to see the Ambassador as "messenger" from Mugabe. He insisted Mugabe sought rapprochement with the U.S. The Ambassador responded that we were open to better relations but that the GOZ needed to first move beyond rhetoric and take concrete steps that demonstrated real change was underway. As specific areas where the GOZ could take immediate action, the Ambassador cited allowing the banned Daily News to resume publication, revoking - or at least not enforcing - the NGO law and inviting impartial international observers to oversee March,s parliamentary elections.

13. (C) Gono admitted he had failed to convince Mugabe to kill the NGO legislation, which the RBZ had estimated could cost the economy 10,000 jobs and several hundred million U.S. dollars of inflows. He said Mugabe had been very upset by U.S. criticism of the bill and now felt he had no choice but to sign it since to do otherwise would be seen to be caving in to external pressure. The Ambassador responded that Mugabe could always return it to Parliament on a technicality and then, if it were true that its author Chinamasa was in trouble and possibly losing both his job and his place with the Politburo, use it as a reason to fire Chinamasa thus disposing of two problems at one time. While not responding directly, Gono showed marked interest in this idea.

Gono pleads for another six months at IMF

14. (C) Gono urged the U.S. to support a further six-month deferral on Zimbabwe,s compulsory withdrawal from the IMF when it comes before the Executive Directors in late-January. He dismissed as &misunderstandings8 the IMF,s and GOZ,s widely conflicting 2005 forecasts for the economy. In that regard, he gave the Ambassador a Dec. 10 letter from acting Finance Minister Herbert Murerwa to IMF Managing Director Rodrigo Rato assuring more assertive action to repair the economy. Reaching well beyond Gono,s Oct. 28 monetary statement and Murerwa,s Nov. 25 budget speech, the letter promises to reduce broad money (M3) growth from 220 to 80 percent by Dec 2005, eliminate the Z\$824:US\$ exchange rate (largely a surrender requirement for exporters) and raise quarterly IMF arrears payments to US\$5 to 9 million in March. In addition, Gono said he would also prevent a proposed 270 percent pay increase for civil servants and partly liberalize currency auctions.

15. (C) The Ambassador responded that the U.S. was still considering its stance on compulsory withdrawal, but said Zimbabwe,s case would be strengthened if it took decisive and unequivocal steps to begin implementing the commitments in the letter. In view of the short time available before the January board meeting, a possible first might be for the GOZ to commit itself publicly at an authoritative level to

the sort of sound economic policies it had referenced in the letter.

Conspiring against the conspirators

16. (C) Gono told the Ambassador that Mugabe had complained that a banker close to Gono had acted disloyally and bankrolled the Tsholotsho meeting. Gono responded that the unnamed banker had mistakenly believed that Mugabe's close associations with Mnangagwa and Moyo meant that the President supported their plans at Tsholotsho. In this manner, Gono said he told Mugabe that these politicians had taken advantage of the President's perceived support. &You are not aware of the credibility that comes with association,⁸ Gono said he told Mugabe. By having spent four hours at the wedding of Mnangagwa's child, Mugabe conveyed the false impression to the ZANU-PF faithful that the Speaker was his &heir apparent.⁸ Likewise, Information Minister Moyo's frequent visits to the President had conveyed the false impression that he was speaking on behalf of Mugabe, including when he organized the Tsholotsho meeting. Gono predicted Mugabe would not include Moyo in the new Politburo, which he expected the President to announce this Friday. Without a Politburo seat, Gono speculated that Moyo could not plausibly continue as the GOZ's official spokesman. Gono confirmed that many in ZANU-PF were &fed up with Jonathan and his approach,⁸ and supported his ouster. GOZ moderates were increasingly supporting the Daily and Sunday Mirror, which Gono claimed was open to all viewpoints (N.B. and in which Gono reportedly has a large financial stake).

17. (C) Gono also postulated that Chinamasa's influence was waning and that Mugabe might exclude the Justice Minister from the new Politburo, in part a result of Gono's own efforts to undermine Chinamasa. The RBZ Governor explained he had &no sympathy⁸ for Chinamasa after he turned down the UN Development Program's election assistance offer. The Ambassador noted that he had sought a meeting with Chinamasa for several months and just last week, suddenly, had received the meeting. Gono responded that it was sometimes a good thing to see people like Chinamasa get &wounded.⁸ He added that Mugabe also expressed displeasure with Local Governments Minister Chombo and Foreign Minister Mudenge, and that both of them could be on their way out as well.

Comment

18. (C) Gono's considerable ego and ambition sometimes make it difficult to distinguish the degree to which he is speaking for Mugabe from the self-serving spin he puts on events. Nonetheless, this is the latest and perhaps strongest indication to date of the GOZ's growing interest in rapprochement with the United States and the Ambassador used it to lay down a strong marker that we expect the GOZ to take the first steps. With respect to Gono, he clearly has designs on still higher office. The bulk of the conversation was about politics regardless of the fact that as RBZ Governor, Gono's writ is confined largely to economics. In fact, he works to portray himself as having a much larger role and great sway over Mugabe, albeit on an informal basis. It is hard to say just how far Gono's ambitions go but he certainly aims as far as Prime Minister should that position be recreated.

DELL